

AMENDED IN ASSEMBLY MAY 15, 2000

AMENDED IN ASSEMBLY APRIL 10, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2548**

**Introduced by Assembly Member Cox**

**(Coauthor: ~~Assembly Member Steinberg~~ Members**

***Steinberg and Thomson*)**

**(Coauthors: Senators Johannessen, Johnston, and Ortiz)**

February 24, 2000

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An act to add Section 12751.3 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2548, as amended, Cox. Municipal utility districts: purchases.

The Municipal Utility District Act generally requires the purchase of supplies and materials by a municipal utility district to be let by contract to the lowest responsible bidder when the expenditure is in excess of \$25,000, or, in any district with a population of 250,000 or more, in excess of \$50,000, with annual adjustments to those dollar limits.

This bill would authorize the board of a district to provide for the purchase of supplies and materials, when the expenditure required exceeds \$50,000, by contract let in accordance with best value acquisition, as defined, policies adopted by the board. The bill would require a district that elects to purchase supplies and materials by contract let in

accordance with those policies to submit a specified report to the Legislature, as prescribed.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 12751.3 is added to the Public  
2 Utilities Code, to read:

3 12751.3. (a) Notwithstanding Section 12751, a district  
4 may provide for the purchase of supplies and materials,  
5 when the expenditure required exceeds fifty thousand  
6 dollars (\$50,000), by contract let in accordance with best  
7 value acquisition policies adopted by the board pursuant  
8 to this section. The board may authorize the general  
9 manager to act for the board in determining a best value  
10 bidder in accordance with best value acquisition policies  
11 and to award a contract to that bidder.

12 (b) The best value acquisition policies adopted  
13 pursuant to subdivision (a) shall consider, but not be  
14 limited to, all of the following:

15 (1) Price and service level proposals that reduce the  
16 district's overall operating costs.

17 (2) Supplies and materials standards that support the  
18 district's strategic supplies and materials acquisition and  
19 management program direction.

20 (3) A procedure for protest and resolution.

21 (4) Any other factors the board determines to be  
22 relevant.

23 (c) For purposes of this section, *the term* "best value  
24 acquisition" means a competitive procurement process  
25 whereby the award of a contract for supplies and  
26 materials may take into consideration any of the following  
27 factors:

28 (1) The total cost to the district of its use or  
29 consumption of supplies and materials.

30 (2) The operational cost or benefit incurred by the  
31 district as a result of contract award.

32 (3) The value to the district of vendor-added services.

1 (4) The quality, effectiveness, and innovation of  
2 supplies, materials, and services.

3 (5) The reliability of delivery or installation schedules.

4 (6) The terms and conditions of product warranties  
5 and vendor guarantees.

6 (7) The financial stability of the vendor.

7 (8) The vendor's quality assurance program.

8 (9) The vendor's experience with the provision of  
9 supplies, material, and services.

10 (10) The consistency of the vendor's proposed  
11 supplies, materials, and services with the district's overall  
12 supplies and materials procurement program.

13 (d) If a district elects to purchase supplies and  
14 materials by contract, let in accordance with best value  
15 acquisition policies adopted by the board pursuant to this  
16 section, the district shall submit a report to the  
17 Legislature not later than three years from the date on  
18 which the district commences those procurement  
19 practices. The district shall include in the report a  
20 summary of the costs and benefits of best value  
21 acquisition compared to traditional low bid procurement  
22 practices, the effect of best value procurement practices  
23 on small businesses, the nature of any disputes arising  
24 from the use of best value procurement practices, and the  
25 status of those disputes.

